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Chief Finance Officers of Local
Housing Authorities in England

25 October 1991

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Dear Chief Finance Officer

HOUSING REVENUE ACCOUNT SUBSIDY FOR 1992-93: MANAGEMENT AND MAINTENANCE TARGETING

1. Under Section 87(2) of the Local Government and Housing Act 1989, the Secretary of State is required to consult local authorities, their representatives and relevant professional bodies before making new determinations or varying existing determinations.

2. This letter seeks the views of your authority on the Secretary of State's proposals for a system of targeted management and maintenance allowances to be used in the determination of HRA Subsidy entitlement for 1992-93. The proposals, which are described in detail in the enclosed paper, include:

    i) the extension of the targeting methodology first used in the determination of allowances for 1991-92 to include management as well as maintenance;

    ii) damping of allowances against the 1991-92 allowances to reduce the extent of changes in the first year; and

    iii) the exclusion of shared ownership dwellings from the maintenance portion of the allowance.

3. These papers therefore propose a methodology for determining the management and maintenance allowances but they do not yet propose figures, either for the national provision or for the local authority distribution. I will be writing to you again setting out the Secretary of State's full proposals for the determination of HRA Subsidy for 1992-93 including exemplifications of proposed rent guidelines and management and maintenance allowances for each authority.

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HRA SUBSIDY DETERMINATION 1992-93: M&M TARGETING METHODOLOGY

1. When the new HRA Subsidy was introduced in April 1990, the allowances for management and maintenance (M&M) were based on recent expenditure by individual authorities. The Department, however, has developed proposals for targeting the available national provision for M&M on the needs of authorities. These have been discussed with local authority association representatives. For 1991-92 the Department introduced a limited form of targeting: for some authorities the maintenance element was calculated partly by reference to a schedule of dwelling types. The Secretary of State now proposes to extend the influence of the dwelling typology to the maintenance element of all authorities. The Department has also developed proposals for targeting the management element, and The Secretary of State further proposes that this new approach be applied to the calculations for all authorities.

2. There are therefore three main changes proposed in paragraph 4 (the one that concerns M&M) of the draft determination for HRA Subsidy in 1992-93:

i) the extension of the targeting methodology to management as well as maintenance;

ii) a proposed damping of the M&M allowance against the 1991-92 allowance to reduce the extent of the changes in 1992-93, but note that the target allowances influence the allowances of all authorities;

iii) the exclusion of shared ownership dwellings from the maintenance portion of the allowance.

3. An outline draft determination accompanies this description of the proposals.

Management targeting

4. Paragraph 4.2 (ii) of the outline draft determination is taken up with specifying the indicators which the Department wishes to include in the management targeting methodology for 1992/93. The Department has used statistical analysis to look for indicators that appear to correspond with existing levels of spend on management. In the absence of any direct measurement of the need to spend, this can be a partial guide to variations in need. From a number of potential indicators, two were found to correspond well with variations in actual spending. These two have been selected for the methodology. They are: the proportion of flats and a measure of sparsity of population for each authority.

Proportion of flats

5. Proportion of flats is in fact a proxy variable. Whether it is the flats themselves that are expensive to manage, or the

composition of households that authorities typically accommodate in flats, in the statistical analysis that the Department undertook to formulate the method, proportion of flats was the variable that best corresponded with the variation in actual management spending from authority to authority. Moreover, the incidence of flatted accommodation provides an indicator of the amount of communal areas and facilities within the stock that leads to higher management costs.

Sparsity

6. The next most significant indicator that emerged from the statistical work was sparsity of population within each authority. This is also a proxy variable, in this case for sparsity of the council's stock, for which there is no readily available measure for every district. Sparsity has an influence on expenditure because if the accommodation is more spread out, this is likely to lead to higher costs. In the statistical analysis, the ward weighted measure of sparsity of population within a district from the 1981 Census was used: this gives a double weighting to extremely sparsely populated areas. This showed some explanatory power additional to that of proportion of flats. Hence its inclusion in the proposed formula.

7. It will be noted from the outline Subsidy determination that the sparsity measure for each authority is a specified amount included in Schedule 2. This is because it is an established data variable available derived from the Census which cannot be recalculated until results from the 1991 Census are available in 1992. Its inclusion in the Schedule 2 avoids the need for individual authorities to calculate it for themselves. The Schedule shows that positive sparsity measures tend to be restricted to shire districts. London and most metropolitan areas are considered to have zero sparsity. The districts that have the highest sparsity values will be large rural districts. If sparsity remains in the formula beyond 1992-93, the values will be updated with data from the 1991 Census, though for most authorities there should not be significant changes.

Further research and development

8. During the Department's development work in 1991 on management targeting, local authority associations were kept informed about the development of indicators for targeting. The Department also agreed to do further research work by early 1992 in order to review the methodology and choice of indicators for 1993/94. This programme of research is under way, and consists of an empirical study looking in detail at the management expenditure and practices of typical authorities, and a normative study which is attempting to identify indicators from first principles taking into account sources of suggested good practice.

Putting the indicators into a formula

9. The formula in paragraph 4.2 (ii) then takes the measures of

sparsity and proportion of flats and uses them in the following formula :

$$(283.33 \times \frac{V}{K}) + (38.415 \times W) + 105.18$$

where V is the number of flats, K is the number of dwellings and W is the measure of sparsity. The figures are co-efficients established by the statistical analysis. The result of this calculation is a basic targeted allowance per dwelling for management, though it still needs to be cost compensated and scaled to a national allowance. The scaling factor will be proposed later when further details of the subsidy proposals are announced.

Geographical cost compensation

10. Housing management costs around the country vary also in relation to the salary costs of local government housing staff. As no direct measure of this is available (unlike the PIPSH index for maintenance costs) the Department is proposing to adopt for management targeting the RSG system of compensation factors for salary cost variation at least for 1992-93. This means that past requests made to the Department to consider some variation within the south-east can be satisfied, though at the same time there can as yet be no variation within other regions.

11. The geographical cost adjustment factors proposed for use with management targeting in 1992-93 are as follows:

City of London	1.4724
Inner London	1.2605
Outer London	1.1742
Inner Fringe (of South East)	1.1968
Outer Fringe (of South East)	1.1312
Outer South East	1.0656
Outside South East	1.0000

12. In this context the South East includes Bedfordshire, Buckinghamshire, Hertfordshire and Essex. In the determination, these factors are listed authority by authority in Schedule 2.

Maintenance Targeting

13. The maintenance targeting method will remain the same as that introduced for 1991/92, in that it will use the same weights in relation to dwelling types defined by built-form, size and age (see the determination paragraph 4.2 (i)). Schedule 1 remains as for 1991/92. The maintenance targeting will retain a cost compensation method based on regional factors. These factors are currently only set up to be calculated regionally, though research work is about to get under way to make them more flexible.

14. The regional factors have changed compared to those applicable to 1991/92, because the Price Index of Public Sector Housing has been updated for new data collected for 1990. The

proposed regional cost compensation factors for maintenance for 1992/93 are as follows :

Northern	1.00
North West	1.05
South West	1.11
Yorks & Humberside	1.04
Eastern	1.18
East Midlands	1.04
South Eastern	1.18
West Midlands	1.05
Greater London	1.38

Damping

15. The proposed damping methodology will mean that all authorities' allowances will be influenced to some extent both by their existing allowances and by their target scores. Authorities will be split into two groups by means of a comparison between their targeted allowance (the sum of maintenance and management elements) and their current (1991-92) allowance increased by a minimum percentage. Where the former is less than the latter, for authorities in this group their proposed allowance for 1992-93 will be their 1991-92 allowance increased by a minimum percentage. Where the former exceeds the latter, in addition to their 1991-92 allowance plus the minimum percentage, they will receive a fixed proportion of the difference between that and their targeted allowance.

16. Both the minimum percentage and the fixed proportion will be specified later when the Secretary of State announces more details of the proposals.

Shared ownership dwellings

17. Since the responsibility for maintenance of shared ownership dwellings lies with the tenant, it is proposed to exclude such dwellings from the maintenance element of M&M allowances for subsidy. Modifications to the determination are therefore required to set out this proposal. The details can be seen in the accompanying outline determination in paragraphs 4.1, 4.2 (i) and 4.4.

18. In paragraph 4.1 shared ownership dwellings are being defined for the purposes of calculation in paragraphs 4.2 (i) and 4.4.

19. In paragraph 4.2 (i), the calculation of the targeted maintenance allowance now has shared ownership dwellings excluded from both individual dwelling-type totals and the total of all dwellings. These dwellings therefore disappear from both the numerator and denominator of the formula. Whether there is any significant change in the resulting allowance as compared with leaving shared ownership dwellings in the calculation, depends

on the dwelling-type mix of shared ownership compared with the rest of an authority's dwellings. If, for instance, shared ownership properties are smaller and newer, then a slightly larger maintenance target allowance per dwelling should result from their exclusion.

20. In paragraph 4.4, the maintenance element of the allowance applicable to shared ownership dwellings is netted from the aggregate M&M allowance for the authority.

21. More details concerning these steps in the calculation are provided in the following commentary on the outline determination.

Outline draft determination

22. The strands of the three policy changes can now be pulled together by giving a commentary on the accompanying outline determination:

paragraph 4.1

23. This is solely concerned with defining a shared ownership dwelling so that the appropriate adjustments can be made in paragraphs 4.2 (i) and 4.4 to exclude them from the maintenance element of the allowance. The definition is specified in such a way that the sum of such dwellings within the HRA is the sum of the shares of each dwelling remaining in the authority's ownership.

paragraph 4.2 (i)

24. This sub-paragraph together with Schedule 1 deals with the calculation of the maintenance target allowance, and so there are few changes from last year. The scaling to the national allowance is a figure that as yet is not known, as it will depend on the increase in the national allowance that the Secretary of State eventually proposes. At the moment it appears as n.nnn in the outline determination.

25. The substance of Schedule 1 will not change because there are no proposed changes to the dwelling-type factors. However, in working out the aggregate calculation in accordance with the formula in paragraph 4.2 (i) shared ownership dwellings should be excluded from the dwelling totals in both the numerator and the denominator. Whether the result of this calculation is different from what it would have been had shared ownership dwellings still been included will depend on the characteristics of the shared ownership stock (age, size, etc) as compared with the rest of the stock. If the rest of the stock is older, bigger, or contains more flats, the target maintenance allowance per dwelling may well increase.

26. The only other change to 4.2 (i) is the revision to the regional cost adjustment factors, as described above in paragraph 14.

paragraph 4.2 (ii)

27. This paragraph is entirely re-specified and is taken up with calculating the management target allowance using the formula and indicators as described above in paragraphs 4-8. The proportion of flats is calculated using dwelling totals that include the portion of shared ownership dwellings remaining in LA ownership (they still count for management), while the measure of sparsity and the cost compensation factors are contained for each authority in schedule 2. These values are not dependent on the total national allowance for M&M, so will not change when further details of allowances are announced. The later announcement will include the national scaling factor, referred to for the moment as f.fff.

paragraph 4.3

28. This paragraph carries out the damping of the targeted allowances against the allowance that authorities have been receiving in 1991/92. All calculations in paragraph 4.3 are in allowance per dwelling terms.

29. Firstly, a guaranteed allowance level is specified for each authority in terms of a proportionate increase to their 1991/92 allowance per dwelling - the proportionate increase is referred to in the outline determination as i.iii. The proposed figure will be announced later.

30. The next step is to divide authorities into two groups: one where the guaranteed allowance level exceeds their target allowance (which is the sum of the allowances calculated in paragraphs 4.1 (i) and (ii), (ie P + T); and the other where the authority's target (P + T) exceeds the guaranteed level. **Authorities in the former group will only get the guaranteed allowance level for 1992/93. Authorities in the latter group will get the guaranteed level plus a fixed percentage of the difference between their target (P + T) and their guaranteed level.** The fixed percentage is referred to as XX% in the outline determination. The proposed figure will be announced later.

paragraph 4.4

31. This paragraph takes the allowance per dwelling established in paragraph 4.3 and converts it into a gross M&M allowance for 1992/93. At the same time it excludes shared ownership dwellings from the maintenance element of the total M&M allowance per dwelling. This process is achieved by a formula which operates in two stages:

i) the allowance per dwelling is multiplied by the number of dwellings in the HRA, including the appropriate number of LA shares of shared ownership dwellings.

ii) from this total is then netted off: a multiple of the M&M allowance per dwelling and a proportion of the number of shared ownership dwellings, the proportion being the targeted maintenance allowance (P) divided by the total targeted allowance (P + T).

32. Specifying the formula in a way that treats the M&M allowance per dwelling as a common factor avoids having to split the M&M allowance again into its component parts following the damping process, and leads to a slightly simpler formulation.

DOE/LAH
25 October 1991

MANAGEMENT AND MAINTENANCE

4.1 For the purposes of paragraph 4.2 (i) and 4.4, a shared ownership dwelling means a dwelling in respect of which an Authority has granted a shared ownership lease, and the calculation of the number of dwellings of this class in the HRA in the Relevant Year for the purpose of these paragraphs shall not include that share in the dwelling which has been acquired by the tenant.

4.2 For the purposes of calculating the amount of the allowance for management and maintenance which is payable to an Authority under paragraph 4.3 and 4.4 in respect of dwellings within the HRA in the relevant year, the following calculations shall be made -

(i) for repairs and maintenance, caretaking, cleaning, lighting and lifts, n.nnn x Y, where -

$$Y = \frac{S \times R}{\left(\begin{array}{c}\text{number of dwellings in HRA on 1 April in the} \\ \text{Relevant Year excluding shared ownership dwellings}\end{array}\right)}$$

S is the aggregate of C x D for each dwelling type specified in schedule 1 to this determination where

C is the weight of the dwelling type concerned as specified in Schedule 1 to this determination; and

D is the number of dwellings (excluding shared ownership dwellings) within the HRA on 1 April in the Relevant Year of the dwelling type concerned;

R is the regional adjustment factor specified in Table A below for the DOE administrative region in which the authority is situated;

TABLE A : REGIONAL ADJUSTMENT FACTORS

Northern	1.00
North West	1.05
South West	1.11
Yorks & Humberside	1.04
Eastern	1.18
East Midlands	1.04
South Eastern	1.18
West Midlands	1.05
Greater London	1.38

P shall be defined as £(n.nnn x Y)

(ii) for supervision and management -

f.fff x Z, where

$$Z = \left[\left(283.33 \times \frac{V}{K} \right) + \left(38.415 \times W \right) + 105.18 \right] \times Q$$

where -

V is the number of flats in the HRA on 1 April of the Relevant Year;

K is the number of dwellings in the HRA on 1 April of the Relevant Year;

W is a measure of sparsity as defined for each Authority in column 2 of Schedule 2 to this determination;

Q is a geographical cost adjustment factor for supervision and management, specified for each Authority in column 3 of Schedule 2 to this determination;

T shall be defined as £(f.fff x Z)

4.3 The allowance per dwelling for management and maintenance in respect of dwellings within the HRA for the Relevant Year shall be calculated as follows -

if (P + T) exceeds i.iii x the management and maintenance allowance per dwelling for the Year beginning 1 April 1991 calculated in accordance with paragraph 4.3 of the Housing Revenue Account Subsidy Determination 1990, then the management and maintenance allowance per dwelling for the Relevant Year shall be -

(management and maintenance allowance per dwelling for the Year beginning 1 April 1991 x i.iii) +
XX% of ((P + T) - (management and maintenance allowance per dwelling for the Year beginning 1 April 1991 x i.iii))

in all other cases, the management and maintenance allowance per dwelling for the Relevant Year shall be the (management and maintenance allowance per dwelling for the Year beginning 1 April 1991 x i.iii)

4.4 The allowance for management and maintenance in respect of dwellings in the HRA for the Relevant Year shall be calculated as follows -

the management and maintenance allowance per dwelling for the Relevant Year as calculated in paragraph 4.3

multiplied by

(number of dwellings in the HRA in the Relevant Year - ($\frac{P}{(P+T)}$ x number of Shared-Ownership Dwellings in the HRA in the Relevant Year))

Paragraph 4.2

SCHEDULE ONE

DWELLING TYPES AND RELATIVE WEIGHTS IN RELATION TO PARAGRAPH 4.2

	DWELLING TYPE			WEIGHT PER DWELLING
1	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	1 Bedroom,	constructed pre 1919	300
2	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	1 Bedroom,	constructed 1919-1944	280
3	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	1 Bedroom,	constructed 1945-1964	230
4	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	1 Bedroom,	constructed after 1964	130
5	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	2 Bedrooms,	constructed pre 1919	370
6	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	2 Bedrooms,	constructed 1919-1944	330
7	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	2 Bedrooms,	constructed 1945-1964	270
8	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	2 Bedrooms,	constructed after 1964	150
9	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	3 or more Bedrooms,	constructed pre 1919	440
10	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	3 or more Bedrooms,	constructed 1919-1944	400
11	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	3 or more Bedrooms,	constructed 1945-1964	320
12	LOW RISE FLATS (IN BLOCKS UP TO 2 STOREYS),	3 or more Bedrooms,	constructed after 1964	180
13	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	1 Bedroom,	constructed pre 1919	570
14	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	1 Bedroom,	constructed 1919-1944	530
15	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	1 Bedroom,	constructed 1945-1964	430
16	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	1 Bedroom,	constructed after 1964	400
17	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	2 Bedrooms,	constructed pre 1919	670
18	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	2 Bedrooms,	constructed 1919-1944	610
19	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	2 Bedrooms,	constructed 1945-1964	500
20	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	2 Bedrooms,	constructed after 1964	460
21	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	3 or more Bedrooms,	constructed pre 1919	770
22	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	3 or more Bedrooms,	constructed 1919-1944	710
23	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	3 or more Bedrooms,	constructed 1945-1964	580
24	MEDIUM RISE FLATS (IN BLOCKS OF 3, 4 OR 5 STOREYS),	3 or more Bedrooms,	constructed after 1964	540
25	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	1 Bedroom,	constructed pre 1919	770
26	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	1 Bedroom,	constructed 1919-1944	710
27	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	1 Bedroom,	constructed 1945-1964	610
28	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	1 Bedroom,	constructed after 1964	590
29	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	2 Bedrooms,	constructed pre 1919	880
30	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	2 Bedrooms,	constructed 1919-1944	820
31	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	2 Bedrooms,	constructed 1945-1964	690
32	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	2 Bedrooms,	constructed after 1964	670
33	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	3 or more Bedrooms,	constructed pre 1919	1010
34	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	3 or more Bedrooms,	constructed 1919-1944	930
35	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	3 or more Bedrooms,	constructed 1945-1964	780
36	HIGH RISE FLATS (IN BLOCKS OF 6 OR MORE STOREYS),	3 or more Bedrooms,	constructed after 1964	760
37	HOUSES AND BUNGALOWS,	1 Bedroom,	constructed pre 1919	330
38	HOUSES AND BUNGALOWS,	1 Bedroom,	constructed 1919-1944	290
39	HOUSES AND BUNGALOWS,	1 Bedroom,	constructed 1945-1964	230
40	HOUSES AND BUNGALOWS,	1 Bedroom,	constructed after 1964	150
41	HOUSES AND BUNGALOWS,	2 Bedrooms,	constructed pre 1919	390
42	HOUSES AND BUNGALOWS,	2 Bedrooms,	constructed 1919-1944	350
43	HOUSES AND BUNGALOWS,	2 Bedrooms,	constructed 1945-1964	280
44	HOUSES AND BUNGALOWS,	2 Bedrooms,	constructed after 1964	180

DWELLING TYPES (CONTINUED)

				WEIGHT PER DWELLING
45	HOUSES AND BUNGALOWS,	3 Bedrooms,	constructed pre 1919	460
46	HOUSES AND BUNGALOWS,	3 Bedrooms,	constructed 1919-1944	420
47	HOUSES AND BUNGALOWS,	3 Bedrooms,	constructed 1945-1964	340
48	HOUSES AND BUNGALOWS,	3 Bedrooms,	constructed after 1964	220
49	HOUSES AND BUNGALOWS,	4 or more Bedrooms,	constructed pre 1919	520
50	HOUSES AND BUNGALOWS,	4 or more Bedrooms,	constructed 1919-1944	470
51	HOUSES AND BUNGALOWS,	4 or more Bedrooms,	constructed 1945-1964	380
52	HOUSES AND BUNGALOWS,	4 or more Bedrooms,	constructed after 1964	250
53	PREFABS, MOBILE HOMES, CARAVANS AND HOUSEBOATS AVAILABLE FOR ALL-YEAR OCCUPATION			130
54	MULTI-OCCUPIED DWELLINGS		constructed pre 1919	280 x average number of bedspaces per dwelling, in dwellings of this type in the authority
55	MULTI-OCCUPIED DWELLINGS		constructed 1919-1944	260 x average number of bedspaces per dwelling, in dwellings of this type in the authority
56	MULTI-OCCUPIED DWELLINGS		constructed 1945-1964	210 x average number of bedspaces per dwelling, in dwellings of this type in the authority
57	MULTI-OCCUPIED DWELLINGS		constructed after 1964	110 x average number of bedspaces per dwelling, in dwellings of this type in the authority

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Adur	0.00	1.0656
Allerdale	0.59	1.0000
Alnwick	0.97	1.0000
Amber Valley	0.25	1.0000
Arun	0.16	1.0656
Ashfield	0.00	1.0000
Ashford	0.52	1.0656
Aylesbury Vale	0.71	1.0656
Babergh	0.85	1.0000
Barking and Dagenham	0.00	1.1742
Barnet	0.00	1.1742
Barnsley	0.08	1.0000
Barrow-in-Furness	0.07	1.0000
Basildon	0.00	1.1312
Basingstoke and Deane	0.42	1.0656
Bassetlaw	0.54	1.0000
Bath	0.00	1.0000
Berwick-upon-Tweed	1.02	1.0000
Beverley	0.33	1.0000
Bexley	0.00	1.1742
Birmingham	0.00	1.0000
Blaby	0.23	1.0000
Blackburn	0.07	1.0000
Blackpool	0.00	1.0000
Blyth Valley	0.09	1.0000
Bolsover	0.26	1.0000
Bolton	0.00	1.0000
Boothferry	0.80	1.0000
Boston	0.54	1.0000
Bournemouth	0.00	1.0000
Bracknell Forest	0.23	1.1312
Bradford	0.06	1.0000
Braintree	0.57	1.0656
Breckland	0.93	1.0000
Brent	0.00	1.1742
Brentwood	0.29	1.1312
Bridgnorth	0.92	1.0000
Brighton	0.00	1.0656
Bristol	0.00	1.0000
Broadland	0.53	1.0000
Bromley	0.02	1.1742
Bromsgrove	0.25	1.0000
Broxbourne	0.00	1.1968
Broxtowe	0.02	1.0000
Burnley	0.16	1.0000
Bury	0.00	1.0000
Calderdale	0.17	1.0000
Cambridge	0.00	1.0000
Camden	0.00	1.2605
Cannock Chase	0.02	1.0000
Canterbury	0.22	1.0656
Caradon	0.66	1.0000
Carlisle	0.47	1.0000
Carrick	0.58	1.0000
Castle Morpeth	0.78	1.0000
Castle Point	0.00	1.0656

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Charnwood	0.16	1.0000
Chelmsford	0.28	1.0656
Cheltenham	0.00	1.0000
Cherwell	0.44	1.0656
Chester	0.37	1.0000
Chester-le-Street	0.09	1.0000
Chesterfield	0.03	1.0000
Chichester	0.69	1.0656
Chiltern	0.24	1.1312
Chorley	0.26	1.0000
Christchurch	0.08	1.0000
City of London	0.05	1.4724
Cleethorpes	0.17	1.0000
Colchester	0.19	1.0656
Congleton	0.28	1.0000
Copeland	0.43	1.0000
Corby	0.15	1.0000
Cotswold	1.07	1.0000
Coventry	0.00	1.0000
Craven	1.07	1.0000
Crawley	0.00	1.1312
Crewe and Nantwich	0.33	1.0000
Croydon	0.00	1.1742
Dacorum	0.19	1.1312
Darlington	0.16	1.0000
Dartford	0.04	1.1968
Daventry	0.94	1.0000
Derby	0.00	1.0000
Derbyshire Dales	0.98	1.0000
Derwentside	0.24	1.0000
Doncaster	0.34	1.0000
Dover	0.29	1.0656
Dudley	0.00	1.0000
Durham	0.38	1.0000
Ealing	0.00	1.1742
Easington	0.10	1.0000
East Cambridgeshire	1.14	1.0000
East Devon	0.60	1.0000
East Dorset	0.39	1.0000
East Hampshire	0.58	1.0656
East Hertfordshire	0.36	1.1312
East Lindsey	0.99	1.0000
East Northamptonshire	0.71	1.0000
East Staffordshire	0.38	1.0000
East Yorkshire	0.75	1.0000
Eastbourne	0.00	1.0656
Eastleigh	0.03	1.0656
Eden	1.47	1.0000
Ellesmere Port and Neston	0.13	1.0000
Elmbridge	0.00	1.1968
Enfield	0.00	1.1742
Epping Forest	0.36	1.1968
Epsom and Ewell	0.00	1.1968
Erewash	0.04	1.0000
Exeter	0.00	1.0000
Fareham	0.00	1.0656

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Fenland	0.81	1.0000
Forest Heath	0.59	1.0000
Forest of Dean	0.80	1.0000
Fylde	0.24	1.0000
Gateshead	0.02	1.0000
Gedling	0.13	1.0000
Gillingham	0.00	1.0656
Glanford	0.86	1.0000
Gloucester	0.00	1.0000
Gosport	0.00	1.0656
Gravesham	0.09	1.0656
Great Grimsby	0.00	1.0000
Great Yarmouth	0.29	1.0000
Greenwich	0.00	1.2605
Guildford	0.28	1.1312
Hackney	0.00	1.2605
Halton	0.03	1.0000
Hambleton	1.21	1.0000
Hammersmith and Fulham	0.00	1.2605
Harborough	0.74	1.0000
Haringey	0.00	1.1742
Harlow	0.00	1.1312
Harrogate	0.53	1.0000
Harrow	0.00	1.1742
Hart	0.32	1.0656
Hartlepool	0.06	1.0000
Hastings	0.00	1.0656
Havant	0.00	1.0656
Havering	0.00	1.1742
Hereford	0.00	1.0000
Hertsmere	0.14	1.1968
High Peak	0.46	1.0000
Hillingdon	0.00	1.1742
Hinckley and Bosworth	0.30	1.0000
Holderness	0.88	1.0000
Horsham	0.61	1.0656
Hounslow	0.00	1.1742
Hove	0.00	1.0656
Huntingdonshire	0.68	1.0000
Hyndburn	0.02	1.0000
Ipswich	0.00	1.0000
Isles of Scilly	1.19	1.0000
Islington	0.00	1.2605
Kennet	0.99	1.0000
Kensington and Chelsea	0.00	1.2605
Kerrier	0.49	1.0000
Kettering	0.27	1.0000
Kings Lynn and West Norfolk	0.90	1.0000
Kingston upon Hull	0.00	1.0000
Kingston upon Thames	0.00	1.1742
Kingswood	0.05	1.0000
Kirklees	0.15	1.0000
Knowsley	0.00	1.0000
Lambeth	0.00	1.2605
Lancaster	0.26	1.0000
Langbaurgh-on-Tees	0.17	1.0000

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Leeds	0.06	1.0000
Leicester	0.00	1.0000
Leominster	1.44	1.0000
Lewes	0.32	1.0656
Lewisham	0.00	1.2605
Lichfield	0.32	1.0000
Lincoln	0.00	1.0000
Liverpool	0.00	1.0000
Luton	0.00	1.0656
Macclesfield	0.23	1.0000
Maidstone	0.34	1.0656
Maldon	0.69	1.0656
Malvern Hills	0.84	1.0000
Manchester	0.00	1.0000
Mansfield	0.06	1.0000
Medina	0.38	1.0656
Melton	0.69	1.0000
Mendip	0.73	1.0000
Merton	0.00	1.1742
Mid Bedfordshire	0.72	1.0656
Mid Devon	1.12	1.0000
Mid Suffolk	1.03	1.0000
Mid Sussex	0.24	1.0656
Middlesbrough	0.00	1.0000
Milton Keynes	0.23	1.0656
Mole Valley	0.29	1.1312
New Forest	0.51	1.0656
Newark and Sherwood	0.62	1.0000
Newbury	0.54	1.0656
Newcastle upon Tyne	0.03	1.0000
Newcastle-under-Lyme	0.20	1.0000
Newham	0.00	1.1742
North Bedfordshire	0.34	1.0656
North Cornwall	0.99	1.0000
North Devon	0.88	1.0000
North Dorset	1.08	1.0000
North East Derbyshire	0.31	1.0000
North Hertfordshire	0.29	1.0656
North Kesteven	0.92	1.0000
North Norfolk	0.95	1.0000
North Shropshire	1.03	1.0000
North Tyneside	0.00	1.0000
North Warwickshire	0.61	1.0000
North West Leicestershire	0.39	1.0000
North Wiltshire	0.73	1.0000
Northampton	0.04	1.0000
Northavon	0.44	1.0000
Norwich	0.00	1.0000
Nottingham	0.00	1.0000
Nuneaton and Bedworth	0.00	1.0000
Oadby and Wigston	0.00	1.0000
Oldham	0.10	1.0000
Oswestry	0.75	1.0000
Oxford	0.00	1.0656
Pendle	0.24	1.0000
Penwith	0.63	1.0000

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Peterborough	0.17	1.0000
Plymouth	0.00	1.0000
Poole	0.00	1.0000
Portsmouth	0.00	1.0656
Preston	0.12	1.0000
Purbeck	0.72	1.0000
Reading	0.00	1.0656
Redbridge	0.00	1.1742
Redditch	0.04	1.0000
Reigate and Banstead	0.07	1.1968
Restormel	0.50	1.0000
Ribble Valley	0.61	1.0000
Richmond upon Thames	0.00	1.1742
Richmondshire	1.07	1.0000
Rochdale	0.00	1.0000
Rochester upon Medway	0.11	1.0656
Rochford	0.17	1.0656
Rossendale	0.36	1.0000
Rother	0.56	1.0656
Rotherham	0.12	1.0000
Rugby	0.40	1.0000
Runnymede	0.14	1.1312
Rushcliffe	0.45	1.0000
Rushmoor	0.00	1.0656
Rutland	0.96	1.0000
Ryedale	0.80	1.0000
Salford	0.00	1.0000
Salisbury	0.80	1.0000
Sandwell	0.00	1.0000
Scarborough	0.44	1.0000
Scunthorpe	0.00	1.0000
Sedgefield	0.32	1.0000
Sedgemoor	0.55	1.0000
Sefton	0.00	1.0000
Selby	0.83	1.0000
Sevenoaks	0.46	1.1312
Sheffield	0.04	1.0000
Shepway	0.31	1.0656
Shrewsbury and Atcham	0.38	1.0000
Slough	0.00	1.1968
Solihull	0.11	1.0000
South Bedfordshire	0.28	1.0656
South Bucks	0.27	1.1968
South Cambridgeshire	0.91	1.0000
South Derbyshire	0.62	1.0000
South Hams	0.92	1.0000
South Herefordshire	1.14	1.0000
South Holland	0.89	1.0000
South Kesteven	0.70	1.0000
South Lakeland	0.80	1.0000
South Norfolk	0.94	1.0000
South Northamptonshire	1.06	1.0000
South Oxfordshire	0.52	1.0656
South Ribble	0.09	1.0000
South Shropshire	1.33	1.0000
South Somerset	0.65	1.0000

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
South Staffordshire	0.52	1.0000
South Tyneside	0.00	1.0000
South Wight	0.55	1.0656
Southampton	0.00	1.0656
Southend-on-Sea	0.00	1.0656
Southwark	0.00	1.2605
Spelthorne	0.03	1.1968
St Albans	0.15	1.1312
St Edmundsbury	0.57	1.0000
St Helens	0.05	1.0000
Stafford	0.41	1.0000
Staffordshire Moorlands	0.50	1.0000
Stevenage	0.00	1.0656
Stockport	0.00	1.0000
Stockton-on-Tees	0.07	1.0000
Stoke-on-Trent	0.00	1.0000
Stratford-on-Avon	0.91	1.0000
Stroud	0.53	1.0000
Suffolk Coastal	0.78	1.0000
Sunderland	0.00	1.0000
Surrey Heath	0.11	1.1312
Sutton	0.00	1.1742
Swale	0.34	1.0656
Tameside	0.00	1.0000
Tamworth	0.00	1.0000
Tandridge	0.54	1.1312
Taunton Deane	0.47	1.0000
Teesdale	1.21	1.0000
Teignbridge	0.59	1.0000
Tendring	0.33	1.0656
Test Valley	0.59	1.0656
Tewkesbury	0.44	1.0000
Thamesdown	0.18	1.0000
Thanet	0.04	1.0656
The Wrekin	0.22	1.0000
Three Rivers	0.07	1.1968
Thurrock	0.09	1.1312
Tonbridge and Malling	0.30	1.0656
Torbay	0.00	1.0000
Torridge	1.01	1.0000
Tower Hamlets	0.00	1.2605
Trafford	0.00	1.0000
Tunbridge Wells	0.30	1.0656
Tynedale	0.95	1.0000
Uttlesford	1.04	1.0656
Vale Royal	0.46	1.0000
Vale of White Horse	0.64	1.0656
Wakefield	0.14	1.0000
Walsall	0.00	1.0000
Waltham Forest	0.00	1.1742
Wandsworth	0.00	1.2605
Wansbeck	0.07	1.0000
Wansdyke	0.40	1.0000
Warrington	0.14	1.0000
Warwick	0.20	1.0000
Watford	0.00	1.1968

SCHEDULE TWO

Col (1) Authority	Col (2) Measure of sparsity for each authority	Col (3) Geographical cost adjustment factor for supervision and management for each authority
Waveney	0.36	1.0000
Waverley	0.39	1.1312
Wealden	0.67	1.0656
Wear Valley	0.52	1.0000
Wellingborough	0.23	1.0000
Welwyn Hatfield	0.18	1.1312
West Devon	1.17	1.0000
West Dorset	0.87	1.0000
West Lancashire	0.43	1.0000
West Lindsey	1.11	1.0000
West Oxfordshire	0.76	1.0656
West Somerset	1.09	1.0000
West Wiltshire	0.40	1.0000
Westminster	0.00	1.2605
Weymouth and Portland	0.00	1.0000
Wigan	0.00	1.0000
Winchester	0.65	1.0656
Windsor and Maidenhead	0.25	1.1312
Wirral	0.00	1.0000
Woking	0.05	1.1312
Wokingham	0.21	1.0656
Wolverhampton	0.00	1.0000
Woodspring	0.30	1.0000
Worcester	0.00	1.0000
Worthing	0.00	1.0656
Wychavon	0.59	1.0000
Wycombe	0.20	1.0656
Wyre	0.25	1.0000
Wyre Forest	0.17	1.0000
York	0.00	1.0000